

# HOUSE BILL No. 1927

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 1-1-4-7; IC 4-4-6.1-9; IC 4-13.6; IC 5-22; IC 5-23-1-3; IC 6-1.1-12.1; IC 6-3.1; IC 22-2; IC 22-4; IC 36-1-12-3.3.

**Synopsis:** Living wage requirements. Defines "living wage". Adds living wage, holiday pay, and health insurance requirements to the requirements for enterprise zone credits, economic revitalization area deductions, neighborhood assistance credits, EDGE credits, and job training funds for projects that primarily benefit an identifiable employer. Provides that a granting body may not approve an application for development assistance after June 30, 1999, unless the applicant pays all of its employees at least a living wage and provides holiday pay and certain health insurance coverage. Makes mandatory a statement of benefits regarding living wages, holiday pay, and health insurance coverage in an enterprise zone credit application. Provides  
(Continued next page)

**Effective:** Upon passage; July 1, 1999.

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**Cheney**

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January 26, 1999, read first time and referred to Committee on Ways and Means.

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that governmental units may not enter into certain purchasing or public works contracts unless the contractor pays its employees a living wage and provides holiday pay and certain health insurance coverage. Limits the uses of funding for comprehensive job training and related services to projects that hire employees at a living wage and that provide holiday pay and certain health insurance coverage. For purposes of governmental purchasing of supplies, provides a price preference of 20% for supplies that are purchased from a person that pays all of its employees at least a living wage and provides holiday pay and certain health insurance coverage. Prohibits the state or a political subdivision from entering into a public-private agreement with an operator unless the operator pays its employees a living wage and provides holiday pay and certain health insurance coverage. Provides that an employee who is paid less than a living wage or is not provided holiday pay or certain health insurance coverage is not bound by the terms of a covenant not to compete under certain conditions.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## HOUSE BILL No. 1927

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 1-1-4-7 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
3 1999]: **Sec. 7. (a) As used in all Indiana statutes, "living wage"**  
4 **means a rate of reimbursement for employment, excluding fringe**  
5 **benefits, equal to at least fourteen dollars and eighty-eight cents**  
6 **(\$14.88) per hour, as adjusted under subsection (b).**

7       **(b) After January 1, 2001, the department of labor shall**  
8 **annually adjust the hourly wage set forth in subsection (a) to**  
9 **reflect increases in the general level of prices as reported in the**  
10 **Consumer Price Index prepared by the Bureau of Labor Statistics**  
11 **of the United States Department of Labor.**

12       SECTION 2. IC 4-4-6.1-9 IS ADDED TO THE INDIANA CODE  
13 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
14 1, 1999]: **Sec. 9. (a) For taxable years beginning after December 31,**  
15 **1999, and for property taxes first due and payable after December**



31, 1999, a taxpayer is not entitled in a taxable year to a deduction, credit, or other exemption that would otherwise be available because the taxpayer is located in an enterprise zone unless all of the employees who are employed by the taxpayer in the enterprise zone in the taxable year:

- (1) earn at least a living wage (as defined in IC 1-1-4-7);
- (2) are provided by the taxpayer with at least the following compensated days off:

- (A) New Year's Day, January 1.

- (B) Martin Luther King, Jr.'s, Birthday, the third Monday in January.

- (C) Memorial Day, the last Monday in May.

- (D) Independence Day, July 4.

- (E) Labor Day, the first Monday in September.

- (F) Thanksgiving Day, the fourth Thursday in November.

- (G) Christmas Day, December 25; and

- (3) are provided with health insurance coverage for which the taxpayer pays at least seventy-five percent (75%) of the total premium costs.

(b) The department of labor shall adopt rules under IC 4-22-2 to establish standards for the application of this section. The rules must include standards that establish the living wage in Indiana.

SECTION 3. IC 4-13.6-2-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 12.** A governmental body may not enter into or renew a contract subject to this article with a person unless all of the person's employees:

- (1) earn at least a living wage (as defined in IC 1-1-4-7); and
- (2) are provided by the person with at least:

- (A) the compensated days off described in IC 4-4-6.1-9(a)(2); and

- (B) the health insurance coverage described in IC 4-4-6.1-9(a)(3).

SECTION 4. IC 4-13.6-6-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 5.** For purposes of this article, a contractor is not considered a responsible contractor unless all of the contractor's employees:

- (1) earn at least a living wage (as defined in IC 1-1-4-7); and
- (2) are provided by the contractor with at least:

- (A) the compensated days off described in IC 4-4-6.1-9(a)(2); and



(B) the health insurance coverage described in  
IC 4-4-6.1-9(a)(3).

SECTION 5. IC 5-22-3-7 IS ADDED TO THE INDIANA CODE  
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
1, 1999]: **Sec. 7. In addition to any other requirement under this  
article, a purchasing agency of a governmental body may not enter  
into or renew a contract to purchase supplies or services under this  
article from a person unless all of the person's employees:**

- (1) earn at least a living wage (as defined in IC 1-1-4-7); and
- (2) are provided by the person with at least:

(A) the compensated days off described in  
IC 4-4-6.1-9(a)(2) and

(B) the health insurance coverage described in  
IC 4-4-6.1-9(a)(3).

SECTION 6. IC 5-22-15-23 IS ADDED TO THE INDIANA CODE  
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
1, 1999] **Sec. 23. There is a price preference of twenty percent  
(20%) for supplies that are purchased from a person that:**

- (1) pays all of its employees at least a living wage (as defined  
in IC 1-1-4-7); and
- (2) provides all of its employees with at least:

(A) the compensated days off described in  
IC 4-4-6.1-9(a)(2); and

(B) the health insurance coverage described in  
IC 4-4-6.1-9(a)(3).

SECTION 7. IC 5-22-16-7 IS ADDED TO THE INDIANA CODE  
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
1, 1999]: **Sec. 7. For purposes of this article, an offeror is not  
considered responsible unless all of the offeror's employees:**

- (1) earn at least a living wage (as defined in IC 1-1-4-7); and
- (2) are provided by the offeror with at least:

(A) the compensated days off described in  
IC 4-4-6.1-9(a)(2); and

(B) the health insurance coverage described in  
IC 4-4-6.1-9(a)(3).

SECTION 8. IC 5-23-1-3 IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 1999]: **Sec. 3. The state or a political  
subdivision may enter into a public-private agreement with an operator  
under the terms of this article if all of the operator's employees:**

- (1) earn at least a living wage (as defined in IC 1-1-4-7); and
- (2) are provided by the operator with at least:

(A) the compensated days off described in



1 **IC 4-4-6.1-9(a)(2); and**

2 **(B) the health insurance coverage described in**

3 **IC 4-4-6.1-9(a)(3).**

4 SECTION 9. IC 6-1.1-12.1-3 IS AMENDED TO READ AS  
5 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) An applicant  
6 must provide a statement of benefits to the designating body. If the  
7 designating body requires information from the applicant for economic  
8 revitalization area status for use in making its decision about whether  
9 to designate an economic revitalization area, the applicant shall provide  
10 the completed statement of benefits form to the designating body  
11 before the hearing required by section 2.5(c) of this chapter. Otherwise,  
12 the statement of benefits form must be submitted to the designating  
13 body before the initiation of the redevelopment or rehabilitation for  
14 which the person desires to claim a deduction under this chapter. The  
15 state board of tax commissioners shall prescribe a form for the  
16 statement of benefits. The statement of benefits must include the  
17 following information:

18 (1) A description of the proposed redevelopment or rehabilitation.

19 (2) An estimate of the number of individuals who will be  
20 employed or whose employment will be retained by the person as  
21 a result of the redevelopment or rehabilitation and an estimate of  
22 the annual salaries of these individuals.

23 (3) An estimate of the value of the redevelopment or  
24 rehabilitation.

25 With the approval of the state board of tax commissioners, the  
26 statement of benefits may be incorporated in a designation application.  
27 Notwithstanding any other law, a statement of benefits is a public  
28 record that may be inspected and copied under IC 5-14-3-3.

29 (b) The designating body must review the statement of benefits  
30 required under subsection (a). The designating body shall determine  
31 whether an area should be designated an economic revitalization area  
32 or whether a deduction should be allowed, based on (and after it has  
33 made) the following findings:

34 (1) Whether the estimate of the value of the redevelopment or  
35 rehabilitation is reasonable for projects of that nature.

36 (2) Whether the estimate of the number of individuals who will be  
37 employed or whose employment will be retained can be  
38 reasonably expected to result from the proposed described  
39 redevelopment or rehabilitation.

40 (3) Whether the estimate of the annual salaries of those  
41 individuals who will be employed or whose employment will be  
42 retained can be reasonably expected to result from the proposed

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described redevelopment or rehabilitation.

(4) **After December 31, 1999, whether:**

(A) **wages for the employees listed on the statement of benefits will result in at least the living wage (as defined in IC 1-1-4-7) for each employee who is employed by the applicant; and**

(B) **the applicant will provide the applicant's employees described in clause (A) with at least:**

(i) **the compensated days off described in IC 4-4-6.1-9(a)(2); and**

(ii) **the health insurance coverage described in IC 4-4-6.1-9(a)(3).**

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

~~(5)~~ (6) Whether the totality of benefits is sufficient to justify the deduction.

A designating body may not designate an area an economic revitalization area or approve a deduction unless the findings required by this subsection are made in the affirmative.

(c) Except as provided in subsections (a) through (b), the owner of property which is located in an economic revitalization area is entitled to a deduction from the assessed value of the property. If the area is a residentially distressed area, the period is five (5) years. For all other economic revitalization areas the period is three (3), six (6), or ten (10) years, as determined under subsection (d). The owner is entitled to a deduction if:

(1) the property has been rehabilitated; or

(2) the property is located on real estate which has been redeveloped.

The owner is entitled to the deduction for the first year, and any successive year or years, in which an increase in assessed value resulting from the rehabilitation or redevelopment occurs and for the two (2), four (4), five (5), or nine (9) years immediately following each such year or years, whichever is applicable. However, property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

(d) For economic revitalization areas that are not residentially



distressed areas, the designating body shall determine whether the property owner is entitled to a deduction for three (3) years, six (6) years, or ten (10) years. This determination shall be made:

- (1) as part of the resolution adopted under section 2.5 of this chapter; or
- (2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor who shall make the deduction as provided in section 5 of this chapter.

A determination about whether the deduction is three (3), six (6), or ten (10) years that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(e) Except for deductions related to redevelopment or rehabilitation of real property in a county containing a consolidated city or a deduction related to redevelopment or rehabilitation of real property initiated before December 31, 1987, in areas designated as economic revitalization areas before that date, a deduction for the redevelopment or rehabilitation of real property may not be approved for the following facilities:

- (1) Private or commercial golf course.
- (2) Country club.
- (3) Massage parlor.
- (4) Tennis club.
- (5) Skating facility (including roller skating, skateboarding, or ice skating).
- (6) Racquet sport facility (including any handball or racquetball court).
- (7) Hot tub facility.
- (8) Suntan facility.
- (9) Racetrack.
- (10) Any facility the primary purpose of which is:
  - (A) retail food and beverage service;
  - (B) automobile sales or service; or
  - (C) other retail;

unless the facility is located in an economic development target area established under section 7 of this chapter.

(11) Residential, unless:

- (A) the facility is a multifamily facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals;
- (B) the facility is located in an economic development target





1 area established under section 7 of this chapter; or

2 (C) the area is designated as a residentially distressed area.

3 (12) A package liquor store that holds a liquor dealer's permit  
4 under IC 7.1-3-10 or any other entity that is required to operate  
5 under a license issued under IC 7.1. However, this subdivision  
6 does not apply to an applicant that:

7 (A) was eligible for tax abatement under this chapter before  
8 July 1, 1995; or

9 (B) is described in IC 7.1-5-7-11.

10 SECTION 10. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4.5. (a) For purposes  
12 of this section, "personal property" means personal property other than  
13 inventory (as defined in IC 6-1.1-3-11(a)).

14 (b) An applicant must provide a statement of benefits to the  
15 designating body. The applicant must provide the completed statement  
16 of benefits form to the designating body before the hearing specified in  
17 section 2.5(c) of this chapter or before the installation of the new  
18 manufacturing equipment for which the person desires to claim a  
19 deduction under this chapter. The state board of tax commissioners  
20 shall prescribe a form for the statement of benefits. The statement of  
21 benefits must include the following information:

22 (1) A description of the new manufacturing equipment that the  
23 person proposes to acquire.

24 (2) With respect to new manufacturing equipment not used to  
25 dispose of solid waste or hazardous waste by converting the solid  
26 waste or hazardous waste into energy or other useful products, an  
27 estimate of the number of individuals who will be employed or  
28 whose employment will be retained by the person as a result of  
29 the installation of the new manufacturing equipment and an  
30 estimate of the annual salaries of these individuals.

31 (3) An estimate of the cost of the new manufacturing equipment.

32 (4) With respect to new manufacturing equipment used to dispose  
33 of solid waste or hazardous waste by converting the solid waste  
34 or hazardous waste into energy or other useful products, an  
35 estimate of the amount of solid waste or hazardous waste that will  
36 be converted into energy or other useful products by the new  
37 manufacturing equipment.

38 With the approval of the state board of tax commissioners, the  
39 statement of benefits may be incorporated in a designation application.  
40 Notwithstanding any other law, a statement of benefits is a public  
41 record that may be inspected and copied under IC 5-14-3-3.

42 (c) The designating body must review the statement of benefits

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required under subsection (b). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment is reasonable for equipment of that type.

(2) With respect to new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment.

(4) **After December 31, 1999, whether:**

**(A) wages for the employees listed on the statement of benefits will result in at least the living wage (as defined in IC 1-1-4-7) for each employee who is employed by the applicant; and**

**(B) the applicant will provide the applicant's employees described in clause (A) with at least:**

**(i) the compensated days off described in IC 4-4-6.1-9(a)(2); and**

**(ii) the health insurance coverage described in IC 4-4-6.1-9(a)(3).**

(5) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

~~(5)~~ (6) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment.

~~(6)~~ (7) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the



findings required by this subsection in the affirmative.

(d) Except as provided in subsection (f), an owner of new manufacturing equipment whose statement of benefits is approved before May 1, 1991, is entitled to a deduction from the assessed value of that equipment for a period of five (5) years. Except as provided in subsections (f) and (i), an owner of new manufacturing equipment whose statement of benefits is approved after April 30, 1991, is entitled to a deduction from the assessed value of that equipment for a period of five (5) years or ten (10) years, as determined by the designating body under subsection (h). Except as provided in subsections (f) and (g) and in section 2(i)(3) of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment in the year that the equipment is installed; multiplied by

(2) the percentage prescribed in the table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th and thereafter	0%

(2) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	90%
4th	85%
5th	80%
6th	70%
7th	55%
8th	40%
9th	30%
10th	25%
11th and thereafter	0%

(f) Notwithstanding subsections (d) and (e), a deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment to the extent that it would cause the assessed



value of all of the personal property of the owner in the taxing district in which the equipment is located (excluding personal property that is assessed as construction in process) to be less than the assessed value of all of the personal property of the owner in that taxing district (excluding personal property that is assessed as construction in process) in the immediately preceding year.

(g) If a deduction is not fully allowed under subsection (f) in the first year the deduction is claimed, then the percentages specified in subsection (d) or (e) apply in the subsequent years to the amount of deduction that was allowed in the first year.

(h) The designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the state board of tax commissioners. A certified copy of the resolution shall be sent to the county auditor and the state board of tax commissioners.

A determination about whether the deduction is for a period of five (5) or ten (10) years that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(i) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

SECTION 11. IC 6-1.1-12.1-5.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5.8. In lieu of providing the statement of benefits required by section 3 or 4.5 of this chapter and the additional information required by section 5.1 or 5.6 of this chapter, the designating body may, by resolution, waive the **requirement for the statement of benefits except, after December 31, 1999, for the statements and conditions specified in sections 3(b)(4) and 4.5(c)(4)**



1 **of this chapter**, if the designating body finds that the purposes of this  
 2 chapter are served by allowing the deduction and the property owner  
 3 has, during the thirty-six (36) months preceding the first assessment  
 4 date to which the waiver would apply, installed new manufacturing  
 5 equipment or developed or rehabilitated property at a cost of at least  
 6 ten million dollars (\$10,000,000) as determined by the state board of  
 7 tax commissioners.

8 SECTION 12. IC 6-3.1-9-1 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. ~~As used in The~~  
 10 **following definitions apply throughout** this chapter:

11 (1) "Business firm" means any business entity authorized to do  
 12 business in the state of Indiana that is:

13 (1) (A) subject to the gross, adjusted gross, supplemental net  
 14 income, or financial institutions tax;

15 (2) (B) an employer exempt from adjusted gross income tax  
 16 (IC 6-3-1 through IC 6-3-7) under IC 6-3-2-2.8(2); or

17 (3) (C) a partnership.

18 (2) "Community services" means any type of counseling and  
 19 advice, emergency assistance, medical care, recreational facilities,  
 20 housing facilities, or economic development assistance to  
 21 individuals, groups, or neighborhood organizations in an  
 22 economically disadvantaged area.

23 (3) "Crime prevention" means any activity which aids in the  
 24 reduction of crime in an economically disadvantaged area.

25 (4) "Economically disadvantaged area" means an enterprise zone,  
 26 or any area in Indiana that is certified as an economically  
 27 disadvantaged area by the department of commerce after  
 28 consultation with the community services agency. The  
 29 certification shall be made on the basis of current indices of social  
 30 and economic conditions, which shall include but not be limited  
 31 to the median per capita income of the area in relation to the  
 32 median per capita income of the state or standard metropolitan  
 33 statistical area in which the area is located.

34 (5) "Education" means any type of scholastic instruction or  
 35 scholarship assistance to an individual who resides in an  
 36 economically disadvantaged area that enables ~~him~~ **the individual**  
 37 to prepare ~~himself~~ for better life opportunities.

38 (6) "Enterprise zone" means an enterprise zone created under  
 39 IC 4-4-6.1.

40 (7) "Job training" means any type of instruction to an individual  
 41 who resides in an economically disadvantaged area that enables  
 42 ~~him~~ **the individual** to acquire vocational skills so that ~~he~~ **the**



individual can:

(A) become employable or be able to seek a higher grade of employment; and

(B) for credits accruing after December 31, 1999, become employable at a full-time job that customarily:

(i) pays a living wage (as defined in IC 1-1-4-7); and

(ii) provides at least the compensated days off described in IC 4-4-6.1-9(a)(2) and at least the health insurance coverage described in IC 4-4-6.1-9(a)(3).

(8) "Neighborhood assistance" means either:

(+) (A) furnishing financial assistance, labor, material, and technical advice to aid in the physical or economic improvement of any part or all of an economically disadvantaged area; or

(-) (B) furnishing technical advice to promote higher employment in any neighborhood in Indiana.

(9) "Neighborhood organization" means any organization, including, but not limited to, a nonprofit development corporation:

(+) (A) performing community services in an economically disadvantaged area; and

(-) (B) holding a ruling:

(A) (i) from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation under the provisions of the Internal Revenue Code; and

(B) (ii) from the department of state revenue that the organization is exempt from income taxation under IC 6-2.1-3-20.

(10) "Person" means any individual subject to Indiana gross or adjusted gross income tax.

(11) "State fiscal year" means a twelve (12) month period beginning on July 1 and ending on June 30.

(12) "Tax credit" means a deduction from any tax otherwise due and payable under IC 6-2.1, IC 6-3, or IC 6-5.5.

SECTION 13. IC 6-3.1-13-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. As used in this chapter, "full-time employee" means an individual who is employed for:

(1) consideration, for including, in the case of agreements for a credit entered into with the board under this chapter after December 31, 1999, consideration that at least equals the



1 amount of the living wage (as defined in IC 1-1-4-7) and that  
2 includes at least:

3 (A) the compensated days off described in  
4 IC 4-4-6.1-9(a)(2); and

5 (B) the health insurance coverage described in  
6 IC 4-4-6.1-9(a)(3); and

7 (2) at least thirty-five (35) hours each week or who renders any  
8 other ~~standard~~ **period** of service generally accepted by custom or  
9 specified by contract as full-time employment.

10 SECTION 14. IC 6-3.1-13-15 IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. After receipt of an  
12 application, the board may enter into an agreement with the applicant  
13 for a credit under this chapter if the board determines that all of the  
14 following conditions exist:

15 (1) The applicant's project will create new jobs that were not jobs  
16 previously performed by employees of the applicant in Indiana.

17 (2) The applicant's project is economically sound and will benefit  
18 the people of Indiana by increasing opportunities for employment  
19 and strengthening the economy of Indiana.

20 (3) There is at least one (1) other state that the applicant verifies  
21 is being considered for the project.

22 (4) A significant disparity is identified, using best available data,  
23 in the projected costs for the applicant's project compared to the  
24 costs in the competing state, including the impact of the  
25 competing state's incentive programs. The competing state's  
26 incentive programs shall include state, local, private, and federal  
27 funds available.

28 (5) The political subdivisions affected by the project have  
29 committed significant local incentives with respect to the project.

30 (6) Receiving the tax credit is a major factor in the applicant's  
31 decision to go forward with the project and not receiving the tax  
32 credit will result in the applicant not creating new jobs in Indiana.

33 (7) Awarding the tax credit will result in an overall positive fiscal  
34 impact to the state, as certified by the budget agency using the  
35 best available data.

36 (8) The credit is not prohibited by section 16 of this chapter.

37 **(9) The employees employed in the new jobs described in**  
38 **subdivision (1) will:**

39 (A) earn at least a living wage (as defined in IC 1-1-4-7);  
40 and

41 (B) be provided by the taxpayer with at least:

42 (i) the compensated days off described in

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1 IC 4-4-6.1-9(a)(2); and

2 (ii) the health insurance coverage described in  
3 IC 4-4-6.1-9(a)(3).

4 SECTION 15. IC 22-2-13 IS ADDED TO THE INDIANA CODE  
5 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
6 JULY 1, 1999]:

7 **Chapter 13. Living Wage Requirements for Development**  
8 **Assistance**

9 **Sec. 1. (a)** As used in this chapter, "development assistance"  
10 means any form of public assistance made by the state or a political  
11 subdivision for the purpose of stimulating economic development  
12 of a specific corporation, business, industry, geographic area, or  
13 part of Indiana's economy.

14 **(b)** The term includes the following:

15 (1) Tax deductions, including deductions under IC 6-1.1-12.1.

16 (2) Tax credits, including tax credits under IC 6-3.1-4.

17 (3) Tax exemptions.

18 (4) Training grants, including grants provided by the  
19 department of workforce development and grants or other  
20 assistance under the training 2000 program established by  
21 IC 4-4-4.6.

22 (5) Loans and loan guarantees.

23 (6) Tax increment financing.

24 (7) Grants, including research and development grants.

25 (8) Fee waivers.

26 (9) Land price subsidies.

27 (10) Infrastructure whose principal beneficiary is a single  
28 business or defined group of businesses at the time the  
29 infrastructure is built or improved.

30 (11) Matching funds.

31 (12) Industrial development bonds.

32 **Sec. 2.** As used in this chapter, "granting body" means the state  
33 or any political subdivision that provides development assistance.

34 **Sec. 3.** Notwithstanding any other provision, a granting body  
35 may not approve any application for development assistance first  
36 made by a person after June 30, 1999, unless all of the person's  
37 employees:

38 (1) earn at least a living wage (as defined in IC 1-1-4-7); and

39 (2) are provided by the person with at least:

40 (A) the compensated days off described in  
41 IC 4-4-6.1-9(a)(2); and

42 (B) the health insurance coverage described in

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1 **IC 4-4-6.1-9(a)(3).**

2 **Sec. 4. (a) The department of commerce shall, before January**  
 3 **1, 2000, adopt a standardized information form that must be**  
 4 **completed by any person applying for development assistance**  
 5 **under a program or fund operated by or administered by the state**  
 6 **or a political subdivision of the state.**

7 **(b) The information form under this section must require at**  
 8 **least the following information:**

9 **(1) An application tracking number that is specific to each**  
 10 **granting body and each application for development**  
 11 **assistance.**

12 **(2) The type and value of the development assistance for**  
 13 **which the applicant is applying.**

14 **(3) The total number of new jobs that the applicant estimates**  
 15 **will be created by the development assistance.**

16 **(4) The hourly wages that the applicant:**

17 **(A) pays to its employees who are employed at the time the**  
 18 **application is completed; and**

19 **(B) proposes to pay to any employees who will be hired as**  
 20 **a result of the development assistance.**

21 **(5) The holiday pay that the applicant provides to its**  
 22 **employees.**

23 **(6) The health insurance coverage that the applicant provides**  
 24 **to its employees.**

25 **SECTION 16. IC 22-2-14 IS ADDED TO THE INDIANA CODE**  
 26 **AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE**  
 27 **JULY 1, 1999]:**

28 **Chapter 14. Certain Covenants Not To Compete**

29 **Sec. 1. An employee is not bound by the terms of a covenant not**  
 30 **to compete if:**

31 **(1) the covenant not to compete is contained in a contract**  
 32 **entered into by the employee and the employee's employer**  
 33 **after June 30, 1999;**

34 **(2) the employer:**

35 **(A) paid the employee less than a living wage (as defined in**  
 36 **IC 1-1-4-7);**

37 **(B) did not provide the employee at least the compensated**  
 38 **days off described in IC 4-4-6.1-9(a)(2); or**

39 **(C) did not provide the employee at least the health**  
 40 **insurance coverage described in IC 4-4-6.1-9(a)(3); and**

41 **(3) the employee is discharged by the employer.**

42 **SECTION 17. IC 22-4-1-1 IS AMENDED TO READ AS**

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FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. As a guide to the interpretation and application of this article, the public policy of this state is declared to be as follows: Economic insecurity due to unemployment is declared hereby to be a serious menace to the health, morale, and welfare of the people of this state and to the maintenance of public order within this state. Protection against this great hazard of our economic life can be provided in some measure by the required and systematic accumulation of funds during periods of employment to provide benefits to the unemployed during periods of unemployment and by encouragement of desirable stable employment. The enactment of this article to provide for payment of benefits to persons unemployed through no fault of their own, to encourage stabilization in employment, and to provide for integrated employment and training services **that, after December 31, 1999, are for full-time jobs that compensate employees in an amount that is at least the living wage, as defined in IC 1-1-4-7, and that provide at least the compensated days off described in IC 4-4-6.1-9(a)(2) and at least the health insurance coverage described in IC 4-4-6.1-9(a)(3),** in support of state economic development programs, and to provide maximum job training and employment opportunities for the unemployed, underemployed, the economically disadvantaged, dislocated workers, and others with substantial barriers to employment, is, therefore, essential to public welfare; and the same is declared to be a proper exercise of the police powers of the state. To further this public policy, the state, through its department of workforce development, will maintain close coordination among all federal, state, and local agencies whose mission affects the employment or employability of the unemployed and underemployed.

SECTION 18. IC 22-4-43 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:

**Chapter 43. Job Training Programs for Living Wage Jobs**

**Sec. 1. This chapter does not apply to comprehensive job training and related services:**

- (1) for a resident in an enterprise zone established under IC 4-4-6.1; or**
- (2) to the extent that the application of this chapter is prohibited by federal law or the terms of a federal grant or contract.**

**Sec. 2. As used in this chapter, "comprehensive job training and related services" has the meaning set forth in IC 22-4-40-2.**

**Sec. 3. After December 31, 1999, state or federal money may not**



be used for an expenditure that:

(1) qualifies as comprehensive job training and related services; and

(2) primarily benefits one (1) or more identifiable employers; unless the money is directed toward employing individuals in full-time jobs that pay an amount that is at least a living wage (as defined in IC 1-1-4-7) and that provide at least the compensated days off described in IC 4-4-6.1-9(a)(2) and at least the health insurance coverage described in IC 4-4-6.1-9(a)(3).

**Sec. 4.** The department shall monitor compliance with section 3 of this chapter. The department shall report to the budget committee any violation of section 3 of this chapter.

**Sec. 5.** If an application to an agency of the federal government is required to obtain authorization to use money as required by section 3 of this chapter, the state shall make the required application. The department shall monitor compliance with this section and report the status of all necessary applications to the budget committee on an annual basis.

SECTION 19. IC 36-1-12-3.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 3.3.** A board may not enter into a contract subject to this chapter with a person unless the person provides all of its employees with:

(1) at least a living wage (as defined in IC 1-1-4-7); and

(2) at least:

(A) the compensated days off described in IC 4-4-6.1-9(a)(2); and

(B) the health insurance coverage described in IC 4-4-6.1-9(a)(3).

SECTION 20. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 1-1-4-7 and IC 4-4-6.1-9, both as added by this act, the department of labor may establish interim guidelines for the application of IC 1-1-4-7 and IC 4-4-6.1-9, both as added by this act. The initial guidelines must be issued before July 1, 1999. Interim guidelines issued under this SECTION expire on the earliest of the following:

(1) The date that the department of labor issues a replacement interim guideline.

(2) The date that the department of labor adopts a rule under IC 4-22-2 to replace an interim guideline.

(3) January 1, 2001.

(b) This SECTION expires July 2, 2001.



1        **SECTION 21. An emergency is declared for this act.**

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